

ACTION MEMO

FOR: SECRETARY OF DEFENSE
→ DEPUTY SECRETARY OF DEFENSE

FROM: Michael J. Bayer, Chair, Defense Business Board *MJB*

SUBJECT: Terms of Reference – Fostering an Innovative Culture through Corporate Engagement and Partnership

- Request you approve the terms of reference at TAB A that directs the Defense Business Board (DBB), through the establishment of a Task Group by the Secretary or Deputy Secretary of Defense, provide recommendations on how the Department can rapidly implement a framework of formal engagement with globally innovative business leaders in order to drive outside perspective and initiate key partnerships to materially improve the pace of innovation into the Department.
- This study will examine the Navy's late 1990's Revolution in Business Affairs Program as a baseline of lessons learned; look at ways to enhance and broaden the Secretary of Defense Corporate Fellowship Program (SDCFP); and assess bringing senior commercial "fellows" into the Department for senior level tours within the DoD's Institutional and Operational elements to leverage their expertise and create enhanced bi-directional learning and exchange.
- The DBB will provide its findings and recommendations to the Secretary of Defense or the Deputy Secretary of Defense no later than July 23, 2015.

RECOMMENDATION: That you approve the Terms of Reference by initialing below and sign the document at TAB A.

Approve *SEB DBB* Disapprove _____ Other _____
ACTION MEMO

COORDINATION:

Deputy Chief Management Officer *[Signature]*

General Counsel of the Department of Defense _____

Attachments:
As stated

Prepared by: CAPT Shelby Mounts, USN, DBB Navy Rep, 703-697-0030

SD CA		DSD SA	<i>✓</i>	<i>2m 6/22</i>
SD SMA		DSD SMA		
SD MA		DSD MA		<i>Scu 6/17</i>
TSA		DSD CA		
SA YB DB				
ES	<i>10/6/17</i>	ESB Rvw	<i>✓</i>	
ESR		ESD	<i>✓</i>	



OSD006980-15/CMD008957-15



DEFENSE
BUSINESS
BOARD

DEFENSE BUSINESS BOARD
1155 DEFENSE PENTAGON
WASHINGTON, DC 20301-1155

ACTION MEMO

FOR: SECRETARY OF DEFENSE
DEPUTY SECRETARY OF DEFENSE

FROM: Michael J. Bayer, Chair, Defense Business Board *M*

SUBJECT: Terms of Reference – Fostering an Innovative Culture through Corporate Engagement and Partnership

- Request you approve the terms of reference at TAB A that directs the Defense Business Board (DBB), through the establishment of a Task Group by the Secretary or Deputy Secretary of Defense, provide recommendations on how the Department can rapidly implement a framework of formal engagement with globally innovative business leaders in order to drive outside perspective and initiate key partnerships to materially improve the pace of innovation into the Department.
- This study will examine the Navy's late 1990's Revolution in Business Affairs Program as a baseline of lessons learned; look at ways to enhance and broaden the Secretary of Defense Corporate Fellowship Program (SDCFP); and assess bringing senior commercial "fellows" into the Department for senior level tours within the DoD's Institutional and Operational elements to leverage their expertise and create enhanced bi-directional learning and exchange.
- The DBB will provide its findings and recommendations to the Secretary of Defense or the Deputy Secretary of Defense no later than July 23, 2015.

RECOMMENDATION: That you approve the Terms of Reference by initialing below and sign the document at TAB A.

Approve *[Signature]*

Disapprove _____

Other _____

COORDINATION: None

Attachments:

As stated

Prepared by: CAPT Shelby Mounts, USN, DBB Navy Rep, 703-697-0030



TAB

A



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

JUN 22 2015

MEMORANDUM FOR CHAIRMAN, DEFENSE BUSINESS BOARD

SUBJECT: Terms of Reference – Fostering an Innovative Culture through Corporate Engagement and Partnership

The Department of Defense is facing a rapidly proliferating and diversifying portfolio of security threats and an erosion of its technological superiority at a time of significantly reduced resources. These pressures demand a cultural adaptation which values and rewards sound, innovative thought, facilitated by partnering with experts outside our traditional ecosystem, in order to improve the speed of our problem solving ability and enhance capability implementation.

I am establishing a Task Group under the Defense Business Board (DBB) to study and provide recommendations on how the Department can rapidly implement a framework of formal engagement with globally innovative business leaders in order to drive outside perspective and initiate key partnerships to materially improve the pace of innovation into the Department.

Specifically, the Task Group will:

- Examine the Navy's late 1990's Revolution in Business Affairs Program as a baseline of lessons learned and develop recommendations on new ways to expose the Department's flag and SES leaders to areas of emerging technology and business thought leadership, and recommend the appropriate scale of the program.
- Examine the Secretary of Defense Corporate Fellowship Program (SDCFP) and provide recommendations on ways to enhance program selection, increase the breadth of external host organizations, extend the partnership reach and focus, better align the Fellows with emerging Force of the Future and Innovation outreach efforts, optimize utilization post-fellowship, and recommend the appropriate scale of the Program.
- Develop options for expanding the partnering power of SDCFP by increasing the permeability of DoD in bringing senior commercial "fellows" into the Department for senior level tours within the DoD's Institutional and Operational elements to leverage their expertise and create enhanced bi-directional learning and exchange (e.g., Department of the Treasury Hamilton Fellows) and recommend the appropriate scale of the program.

The DBB will provide its findings and recommendations to the Secretary of Defense or the Deputy Secretary of Defense, no later than July 23, 2015.

As a subcommittee of the DBB, and pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976, and other appropriate federal statutes and regulations, this Task Group shall not work independently of the DBB's charter and shall report its recommendations to the full DBB for public deliberation and approval. The Task Group does



OSD006980-15/CMD010176-15

not have the authority to make decisions on behalf of the DBB, nor can it report directly to any federal representative. The members of the Task Group and the DBB are subject to 18 US Code Section 208, which governs conflicts of interest.

A handwritten signature in black ink, appearing to be "Rutledge", written in a cursive style.

TAB

B

DBB Response to DoD OGC Coordination

I am providing explanation on the subject package as revised by OGC.

We do not concur with and did not include the following edits on the Terms of Reference document:

- 1) Do not concur with adding "the DBB, through" in paragraph 2.
 - a. Reason: this language is redundant and unnecessary, see the last paragraph for the legal language that specifies the Task Group shall not work independently of the DBB's charter and shall report its recommendations to the full DBB for public deliberation and approval. It also states the Task Group does not have the authority to make decisions on behalf of the DBB, nor can it report directly to any federal representative. This language means the DBB does its work through the Task Group and the Task Group reports back to the DBB.
- 2) Do not concur with adding "and general officers, as well as" in paragraph 3, bullet 1.
 - a. Reason: flag officer definition includes general officers, it is not a term exclusive to the Navy, but instead means a commissioned officer at a senior enough level to carry a flag. Therefore making a distinction between flag and general is unnecessary, as a flag (lowercase) is both types of officers.
- 3) Do not concur with inserting "then" in paragraph 4
 - a. Reason: See 1(a) above, the Task Group is legally required to submit its recommendations to the full Board for deliberation and approval. That is already understood, making this addition unnecessary.



Shelby A. Mounts
CAPT, USN

Date: 15 JUNE 2015

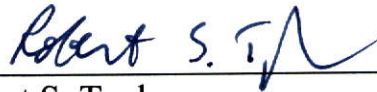
DoD OGC COORDINATION

Subject: Defense Business Board (DBB) Terms of Reference (TOR) – Fostering
And Innovative Culture Through Corporate Engagement and Partnership

I am providing coordination on the subject package as revised and with comments.

I note that to the extent that the Department wishes to engage with “globally innovative business leaders,” doing so raises a variety of legal issues, such as compliance with the Federal Advisory Committee Act, the Trade Secrets Act, and maintaining impartiality in dealing with contractors, which would require the involvement by DoD attorneys from DoD and WHS OGC to resolve.

The subject package also contains a few other handwritten edits.



Robert S. Taylor
Principal Deputy General Counsel

Date: June 15, 2015

ACTION MEMO

June 5, 2015

FOR: DEPUTY CHIEF MANAGEMENT OFFICER

FROM: Marcia L. Moore, Acting Executive Director, Defense Business Board **marcia.moore@osd.mil**

Digitally signed by
marcia.moore@osd.mil
DN: cn=marcia.moore@osd.mil
Date: 2015.06.05 15:53:59
+04'00'

SUBJECT: The Defense Business Board's Terms of Reference – Fostering an Innovative Culture through Corporate Engagement and Partnership

- Michael Bayer, Chair of the Defense Business Board (DBB) requested the Deputy Secretary's approval of the Terms of Reference – Fostering an Innovative Culture through Corporate Engagement and Partnerships. The associated Action Memo is located at (TAB A)
- As sponsor of the DBB, you are asked to coordinate on the Action Memo prior to the Deputy Secretary.

RECOMMENDATION: Sign at the coordination section of the memo.

Attachments:
As stated

Prepared by: Steve Cruddas, Defense Business Board, 703-697-2168

MEMORANDUM FOR CHAIRMAN, DEFENSE BUSINESS BOARD

SUBJECT: Terms of Reference – Fostering an Innovative Culture through Corporate Engagement and Partnership

The Department of Defense is facing a rapidly proliferating and diversifying portfolio of security threats and an erosion of its technological superiority at a time of significantly reduced resources. These pressures demand a cultural adaptation which values and rewards sound, innovative thought, facilitated by partnering with experts outside our traditional ecosystem, in order to improve the speed of our problem solving ability and enhance capability implementation.

I am establishing a Task Group under the Defense Business Board (DBB) to study and provide recommendations on how the Department can rapidly implement a framework of formal engagement with globally innovative business leaders in order to drive outside perspective and initiate key partnerships to materially improve the pace of innovation into the Department.

the DBB, through
Specifically, the Task Group will:

- Examine the Navy's late 1990's Revolution in Business Affairs Program as a baseline of lessons learned and develop recommendations on new ways to expose the Department's flag and SES leaders to areas of emerging technology and business thought leadership, and recommend the appropriate scale of the program.

- Examine the Secretary of Defense Corporate Fellowship Program (SDCFP) and provide recommendations on ways to enhance program selection, increase the breadth of external host organizations, extend the partnership reach and focus, better align the Fellows with emerging Force of the Future and Innovation outreach efforts, optimize utilization post-fellowship, and recommend the appropriate scale of the Program.

- Develop options for expanding the partnering power of SDCFP by increasing the permeability of DoD in bringing senior commercial "fellows" into the Department for senior level tours within the DoD's Institutional and Operational elements to leverage their expertise and create enhanced bi-directional learning and exchange (e.g. Department of Treasury Hamilton Fellows) and recommend the appropriate scale of the program.

The DBB will then provide its findings and recommendations to the Secretary of Defense or the Deputy Secretary of Defense, no later than July 23, 2015.

As a subcommittee of the DBB, and pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976, and other appropriate federal statutes and regulations, this Task Group shall not work independently of the DBB's charter and shall report its recommendations to the full DBB for public deliberation and approval. The Task Group does not have the authority to make decisions on behalf of the DBB, nor can it report directly to any

comment:

what about
civilian

such as
SES
equivalents

(DISES,
DISES,
ST/STs)?

Also
what
about

civilian
leaders

above
SES

such
as
"Executive
level"
leaders

and
general
officers
as
well as

comment:
is this
enough
time?

Handwritten notes at the bottom of the page, including "Make clear that..." and "Deliberation in..."

federal representative. The members of the Task Group and the DBB are subject to 18 US Code Section 208, which governs conflicts of interest.